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Fred W. Fisher

MARKET ADMINISTRATOR

Market Administrator's

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Midyear Cow Numbers Down One Half Million from Last Year

The Dairy Situation, Economic Research Service USDA, August, 1963

The June milk cow number for 50 States was 16,632,000. This represents a drop of 2.8 percent from the 17,108,000 on farms last June. This is the largest percentage decline since June 1959. In 1960, 1961, and 1962, June milk cow numbers were between 1 and 2 percent lower than the previous June.

For the first time in several years, milk cow numbers in the North Atlantic States fell substantially except New Hampshire and Rhode Island, where they remained unchanged. New York reported a drop of 36,000 cows. The declines in these States reflected last year's poor pastures and low forage supplies, and the continued below-average level of hay and pasture yields during 1963. In addition, hay and feed prices (which were high relative to other parts of the country) have increased during the past year in this area more than in other dairy areas, because of feed shortages. Data for typical dairy farms in the Central Northeast area, which corresponds roughly with the North Atlantic area, indicate that variable costs may be around 30 percent higher than the average for the country.

Cow numbers declined in all the North Central States, but the largest decline in numbers, 38,000, occurred

in Iowa. The sharpest percentage decline, however, was in Nebraska. Wisconsin, which had maintained cow numbers unchanged from 1960 to 1962, reported a decline of 11,000 cows. Similarly, cow numbers fell in all the West North Central States by 138,000 or 3.6 percent. This substantially exceeded the 2.1 percent decline in the East North Central States. Cow numbers were reduced by 30,000 or more in both Illinois and Missouri.

Despite drought conditions last year, and to some extent, this year, cow numbers fell by only 1.8 percent in the South Atlantic region. This relatively small decline probably reflects the fact that most milk in this region moves into fluid markets, at higher prices than the national average. In the South Central region cow numbers fell 4.0 percent, with the greatest drop in States along the lower Mississippi Valley.

Cow numbers were maintained or increased in New Mexico, Arizona, and Nevada, reflecting the increased demand in local fluid markets. Numbers were down only 1 percent in California. All other Western States reported a decrease of 3 percent or more. In Hawaii cow numbers rose 1 percent, but in Alaska they fell 10 percent.

MILK PRODUCTION DOWN FOR EIGHTH MONTH

The Dairy Situation, Economic Research Service
USDA, August, 1963

Milk production in June was 11,842 million pounds and in July was 10,856 million, down 0.7 and 0.5 percent, respectively, from a year earlier. The decline was general in all areas except Mid-Atlantic and East North Central States. In July, both New York and Pennsylvania had substantial increases, 6 percent and 3 percent, respectively, above a year earlier. Wisconsin and Ohio had about the same production as a year earlier, while Indiana and Michigan reported gains. Declines of 5 percent or more occurred in Missouri, North Dakota, Nebraska, and Kansas; these States reported lower milk production per cow than last July, contrary to the 2 percent national gain. Declines of 4 percent in Virginia and West Virginia reflect continued drought in these States. In other South Atlantic States production held its own or increased as pasture conditions generally improved in South Carolina, Georgia, and Florida over a year earlier. Among South Central States, Kentucky reported a 2 percent gain. Tennessee milk production was unchanged, and declines ranged from 2 percent in Alabama to 9 percent in Mississippi. Only Nevada among the Western States reported a gain, 1 percent over last July, while

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Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)
Producers' Uniform Price (4%)	.....
Class I (3.5%)	.....
Class II (3.5%)	.....
Class III (3.5%)	.....
Class IV (3.5%)	.....
Producer Butterfat Differential for each one-tenth percent	.....

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	.....
Percent of Producer Butterfat in Class I	.....
Percent of Producer Milk in Class II	.....
Percent of Producer Butterfat in Class II	.....
Percent of Producer Milk in Class III	.....
Percent of Producer Butterfat in Class III	.....
Percent of Producer Milk in Class IV	.....
Percent of Producer Butterfat in Class IV	.....

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	.....
Average Daily Class I Producer Milk	.....
Total Number of Producers	.....
Average Daily Receipts per Producer	.....
Average Butterfat Test	.....
Total Value of Producers Milk at Test	.....
Income per Producer (7 day average)	.....

GROSS CLASS USE (Pounds)

Class I Skim	.....
Class I Butterfat	.....
Class I Milk	.....
Class II Skim	.....
Class II Butterfat	.....
Class II Milk	.....

AVERAGE DAILY SALES (Quarts)

Milk	.....
Buttermilk	.....
Chocolate	.....
Skim	.....
Cream	.....

August 1963	July 1963	August 1962
\$4.23	\$3.64	\$4.18
4.605	3.995	4.55
4.40	4.19	4.34
4.01	3.811	3.956
3.715	3.61	3.65
3.063	2.99	2.998
7.5¢	7.1¢	7.4¢
79.1	73.7	78.7
78.7	73.5	79.2
8.9	8.9	8.3
2.4	2.5	2.2
4.8	5.8	5.4
6.8	7.9	7.6
7.2	11.6	7.6
12.1	16.1	11.0
34,665,174	36,129,136	30,341,877
884,473	859,185	770,402
1,359	1,358	1,308
823	858	748
3.56	3.55	3.54
\$1,477,815.16	\$1,449,090.40	\$1,271,314.70
\$245.55	\$240.95	\$219.47
26,447,747	25,692,071	23,030,681
970,920	942,660	851,791
27,418,667	26,634,731	23,882,472
3,115,730	3,194,053	2,592,717
29,447	31,728	24,065
3,145,177	3,225,781	2,616,782
300,027	287,389	274,545
5,699	5,823	6,482
12,700	11,738	12,809
10,167	10,037	10,252
8,231	7,714	8,172

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



Aug., 1954 - '63

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1954...	22,164,011	3.78	73.6	7.9	10.8	7.7	4.10	4.277	3.877	3.877	3.101	2,157	331
1955...	22,723,836	3.70	77.0	8.9	11.3	2.8	4.33	4.427	4.027	4.027	3.151	2,089	351
1956...	24,008,583	3.70	76.0	9.8	9.5	4.7	4.34	4.496	4.096	4.096	3.220	2,032	381
1957...	23,766,796	3.64	80.7	8.8	6.7	3.8	4.41	4.579	4.179	4.079	3.076	1,892	405
1958...	22,444,604	3.71	83.9	9.0	2.8	4.3	4.25	4.383	3.983	3.883	2.880	1,782	406
1959...	25,347,579	3.64	85.2	9.1	2.3	3.4	4.37	4.479	4.079	3.753	3.054	1,738	471
1960...	26,234,265	3.64	79.5	8.6	3.3	8.6	4.21	4.394	3.994	3.699	2.998	1,623	521
1961...	26,599,504	3.60	78.1	8.5	4.9	8.5	4.47	4.664	4.264	3.927	3.254	1,218	705
1962...	30,341,877	3.54	78.7	8.3	5.4	7.6	4.18	4.34	3.956	3.65	2.998	1,308	748
1963...	34,665,174	3.56	79.1	8.9	4.8	7.2	4.23	4.40	4.01	3.715	3.063	1,359	823

U. S. Storage Holdings Reflect Purchase Levels

The Dairy Situation, Economic Research Service USDA, August, 1963

The low level of CCC acquisitions is being reflected in Government holdings of dairy products. At the end of July Government cold storage holdings of American cheese were 17 million pounds compared with 110 million at the end of July 1962. Government cold storage holdings of butter were down to 343 million pounds compared with 419 million in July last year. However, this year's figures do not reflect the large amounts of butter that have been converted to butteroil. The estimated amount of butteroil held by the Government was about 130 million pounds butter equivalent in July. Added to stocks of butter, this gives a total of 473 million pounds of butter equivalent held by the Government. The gain in holdings of butter equivalent this

year (January 1 to the end of July) was 119 million pounds. This compares with an increase of 214 million pounds during the same period of 1962.

Uncommitted stocks of butter (including butteroil) representing the quantity of CCC holdings were 432 million pounds at the end of July, 66 million pounds above a year earlier. In contrast, uncommitted stocks of nonfat dry milk at the end of July were 477 million pounds, about 80 million lower than a year earlier.

Total stocks of manufactured dairy products (excluding butteroil) at the end of June amounted to 13.2 billion pounds of milk equivalent, down 1.4 billion from the 14.6 billion last June. Commercial stocks made up 5.3 billion pounds of this total, leaving Gov-

ernment stocks at about 8 billion pounds milk equivalent compared with about 9 billion last year. Thus the decline in total cold storage holdings (which excludes butteroil) is occurring mostly in Government holdings. Commercial stocks of butter at the end of July were 39 million pounds compared with 50 million a year earlier. American cheese stocks in commercial hands at the end of June were 345 million pounds compared with 374 million last June and are gaining at a somewhat faster rate than last year. Stocks of dry whole milk, evaporated milk, and nonfat dry milk continued sharply below last year. However, commercial stocks of condensed milk (case goods) have more than doubled.

Payment-In-Kind Program Increases Foreign Sales Of Nonfat Dry Milk

The Dairy Situation, Economic Research Service USDA, June, 1963

The Nonfat Dry Milk Export Payment-In-Kind Program set up under authority of the CCC Charter Act is increasing movement of nonfat dry milk abroad in commercial channels. The program became effective June 27, 1962. By mid-June 1963, negotiable certificates in payment for the export of nearly 70 million pounds of nonfat dry milk had been issued under the program. For the same period, about 540 registrations of P.I.K. had been made, totalling

128.7 million pounds of nonfat dry milk. It is possible therefore that exports under the P.I.K. program may total 125 million pounds this calendar year. Most of this nonfat dry milk will represent a net increase in exports for dollars.

Under the P.I.K. program, exporters who register intentions to export nonfat dry milk with USDA become eligible for export payment certificates. These certificates are issued to exporters for approved export

sales of nonfat dry milk in amounts equal to the quantity exported times the CCC payment rate. Certificates are negotiable, being traded privately and in several commodity exchanges, and may be used in payment for nonfat dry milk or certain other CCC commodities at regular CCC export selling prices. The payment rate is an announced subsidy to exporters equal approximately to the difference between the U. S domestic price and the world price for nonfat dry milk.

MILK PRODUCTION DOWN

(Continued from Page One)

California's production was unchanged.

For the first 7 months this year, milk production decreased 640 million pounds or 0.8 percent below the same period of 1962. The percentage decline averaged 0.9 percent the first 5 months and lessened in June and July. Although milk production in the last half of 1963 may be closer to last year's figures than the first half of this year, it is doubtful that production for all of 1963 will attain last year's levels. It is probable that 1963 production will be under 125.3 billion pounds compared with 125.9 billion in 1962. Since World War II the seasonal pattern of milk production has shifted so that substantial increases over year-earlier periods have been showing up during the fall and winter months. Therefore, favorable pasture conditions and forage yields in fall months could still pull production in the last third of the year above last year's fall levels.

The decline in milk production so far this year results from a continued decline in the number of cows milked and a rate of gain in production per cow somewhat below the large annual increases in 1952-61. Average milk production per cow in 1963 is expected to gain roughly 170 pounds over the 7,370 pounds last year.

CCC Buying Sharply Below A Year Ago

The Dairy Situation, Economic Research Service USDA, August, 1963

With smaller production and increased commercial disappearance of milk and dairy products the first 7 months of this year, CCC purchases (delivery basis) in terms of milk equivalent were about 25 percent below a year earlier. In July, CCC acquired 28 million pounds of butter compared with 37 million in July 1962, a drop of 24 percent. Only in April have monthly butter purchases this year been above year-earlier levels. For January-July this year, total purchases amounted to 293 million pounds compared with 358 million a year earlier. January-July purchases, although below 1962, were above those for the same period of other years except 1953 and 1954, when CCC acquired more than 300 million pounds.

Cheese purchases (delivery basis)

in July amounted to 22 million pounds, 4 million above last July's acquisitions. In all other months this year, cheese purchases have been below 1962 levels. The January-July total was 63 million pounds this year compared with 155 million in 1962.

July acquisitions of nonfat dry milk (delivery basis) were 107 million pounds compared with 130 million in July 1962. Nonfat dry milk purchases have been lower than in 1962 in every month. The January-July total this year was 782 million pounds compared with 971 million for the same period of 1962. Part of the credit for this decline must go to the Payment-In-Kind Program which moved more than 80 million pounds of nonfat dry milk through the commercial export market during January-July this year.

Market Quotations

AUGUST
1963

MINNESOTA - WISCONSIN PRICE SERIES	\$3.10
MIDWEST CONDENSERIES 3.5% per Cwt.	3.014
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.113
Average Weekly Cheddars price per lb. ....	.3412
Average price per lb. 92-score butter at Chicago .....	.5797
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant1407

THE

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